



ALISA GLUTZ GROUP

Personalized service you can count on.

FHA "Back-to-Work: Extenuating Circumstances" Program

FHA addresses the economic down turn by providing a second chance for buyers who have experienced financial hardship as a result of unemployment or severe reduction in income. If you or someone you know has experienced extenuating circumstances and an **economic event** such as:

- Foreclosure or Pre-Foreclosure ■ Deed-in-Lieu
- Short Sale ■ Loan Modification
- Chapter 7 or 13 Bankruptcy ■ Forbearance Agreement

They may be eligible to apply for an FHA-insured mortgage **after just 1 year** instead of the standard 2-year waiting period for bankruptcy or 3-year waiting period for a short sale or foreclosure!

This is great news for eligible buyers whose extenuating circumstances were the result of an economic event due to loss of employment or reduction in income (20% or more) for a period of at least 6 months*. In addition, **the following will be required:**

- Documentation that the derogatory credit was a result of loss of employment or a significant loss of household income beyond the buyers control
- Minimum of 12 months must have elapsed since the derogatory credit event
- Demonstration of **full recovery** from the event with **12 months satisfactory credit**.
Upon review of the credit report, the lender will attempt to determine 3 things:
 - Good credit history prior to the event
 - Derogatory credit occurred after the onset of the economic event
 - Reestablishment of a 12-month perfect payment history on major accounts
- Buyer must complete housing counseling:
 - Housing counseling must be from one of HUD's approved counseling agencies found on the HUD web-site. For a list of agencies, go to **www.hud.gov** or call (800) 569-4287.
 - Housing counseling must be done a minimum of 30 days prior to going under contract on the home but no more than 6 months prior

This program can be used for first-time home buyers and repeat home buyers. Call us today for more information and to see if you are eligible for this new **FHA Back-to-Work: Extenuating Circumstances** program!

**For purposes of assessing loss of household income, household members means individuals residing at the residence at the time of the economic event AND who were borrowers on the previous mortgage.*

Disclaimer: Cherry Creek Mortgage Co., Inc. is not endorsed by, nor acting on behalf of or at the direction of, the U.S. Department of Housing and Urban Development, Federal Housing Administration, the Veterans Administration, the U.S. Department of Agriculture or the Federal Government.

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